

SUBJECT: The Army's Residential Communities Initiative (RCI) in Hawaii

1. PURPOSE: Provide information on The Army's RCI-Hawaii project.

2. BACKGROUND:

- a. The 1996 Military Housing Privatization Initiative (MHPI) act provided the military services with authority to obtain private sector capital and expertise to operate, manage and improve military family housing.
- b. In 2000, about 70% of Army Family Housing (AFH) was classified as inadequate. To comply with the Department of Defense goal to eliminate inadequate family housing by 2007, The Army plans to leverage the 1996-privatization authorities to create affordable, quality housing for soldiers and their families. The Army will privatize over 7,800 homes on Oahu, Hawaii.
- c. In January 2003 the U.S. Coast Guard housing "Kia'i Kai Hale" at Red Hill was amended into the Hawaii RCI solicitation to add 318 homes.

3. DISCUSSION:

- a. Hawaii is the 17th RCI project that The Army will undertake. Total housing units involved in this transaction is over 8,100 homes.
- b. An Industry Forum for the Hawaii RCI project was held 28 August 2002, followed by a site visit to the AFH areas on Oahu, for potential developer-partners.
- c. The Army issued the Request for Qualifications (RFQ) on 5 December 2002. Qualified bidders submitted their Statement of Qualifications (SOQ) by the closing date of 1 Apr 03.
- d. The Source Selection Evaluation Board is currently evaluating SOQs.
- e. Hawaii RCI staff is continuing to prepare Government's "going-in position", environmental documents, finalizing engineering studies, coordinating utility privatization issues, and updating RCI information campaign with all stakeholders.
- f. Major milestones for RCI in Hawaii follow:

RCI Partner selected	August/September	2003
CDMP collaboration completed	February/March	2004
Review and approve CDMP	March – June	2004
RCI Partner transition	March – September	2004
Transfer title and sign land lease	November	2004

4. CHALLENGES:

- a. "Bridging the Gap" between now and RCI transfer: AFH deferred maintenance and repair (DMAR) list is getting longer; personnel issues resulting from A76 actions are ongoing issue.
- b. Housing units are being vacated and not occupied due to high cost of repairs. AFH vacancy rate is approaching 20%.
- c. Hawaii's off-post affordable housing is also in short supply and monthly rents are increasing. Soldiers and their families are now willing to accept AFH units with minor deficiencies.
- d. AFH 1920 funding must be adequate to sustain or improve occupancy rates through transition to developer partner.

5. STAKEHOLDERS:

- a. Providing information to both internal and external stakeholders continue.
- b. The RCI office has coordinated many briefs to various stakeholders. We have learned that the residents show both interest and concern for the future and changes to come with the Residential Communities Initiative.
- c. The RCI office has developed an updated "internal brief" tailored to the resident level stakeholder. The updated presentation includes pictures of other RCI sites, and provides answers to the most frequently asked questions concerning the active duty members and their families.
- d. To request an RCI brief, contact Cindy Winfree, RCI Community Relations Coordinator at (808) 438-6113.

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